

generated by numerous large corporations. Yet, the FCC has consistently held in recent years that it is in the public interest for these corporations to aggregate their landline traffic and negotiate volume discounts with the IXC's to enhance profitability. The FCC has not explained why those same considerations do not apply in the case of cellular service, particularly independent cellular operators. (8-9)

**BELL ATLANTIC COMPANIES**

**Interest:** Regional Bell Operating Company.

**Equal access:**

**Cellular equal access:**

- Favors the imposition of equal access requirements on all cellular carriers for the following reasons:
  - Although Bell Atlantic prefers elimination of the MFJ's equal access requirements, imposing equal access requirements upon BOC cellular carriers but not upon non-BOC cellular carriers creates a serious regulatory inequity which violates Congress's intent in § 332. (4-5)
  - The imposition of equal access requirements upon BOC cellular carriers alone distorts the market and harms consumers. Non-BOC cellular carriers have a competitive advantage over BOC cellular carriers with regard to long distance service pricing and marketing of "local" calling areas. The competitive edge that non-BOC carriers have over BOC carriers dulls their incentive to be innovative or to cut prices. (5-6)

**Equal access for other CMRS providers:**

- Favors the imposition of equal access requirements upon SMR and PCS carriers because they will compete with cellular carriers. Both Congress and the FCC have sought to harmonize regulations concerning similar, competing carriers. (7-8)
- Disagrees with the FCC that an analysis of market power provides a rational ground for the differential application of equal access. The FCC has no basis for drawing distinctions between cellular and other CMRS providers based on market power. Also, the FCC's analysis of the potential benefits of equal access does not turn on whether a CMRS provider has market power. (8-10)

**Implementation:**

- Believes that the technical burdens of equal access are manageable and asserts that the cost of conversion is a one-time expense that can often be made using existing equipment. Further, PCS and SMR providers can simply build their systems with equal access capability. (10-11)

**Other:**

- Proposes a comprehensive, set of equal access rules which are attached to its comments. (11-12)

**LEC/CMRS interconnection:**

- Opposes tariffing requirements for LEC/CMRS interconnection for the following reasons:
  - There is no evidence that the current regulatory structure is inadequate. (13-14)
  - The FCC has just recently decided against imposing tariffing requirements on CMRS carriers. (14)
  - Tariffs may prevent CMRS providers and LECs from negotiating efficient interconnection agreements. (14-15)

**CMRS/CMRS interconnection:**

- Believes the FCC should defer consideration of rules regulating interconnection among CMRS providers for the following reasons:
  - The CMRS industry is undergoing such rapid change that the FCC cannot rely on present data in adopting interconnection requirements. (15-16)
  - There is no evidence that wireless carriers have been unwilling to provide interconnection services to one another. (16-17)

**CMRS resale obligations:**

- Favors the imposition of resale obligations on CMRS carriers. The FCC's findings underlying the imposition of resale obligations upon cellular

carriers apply to all other CMRS carriers. In addition, the imposition of resale obligations on all CMRS providers serves the goal of regulatory symmetry. (17-18)

**BELLSOUTH CORPORATION**

**Interest:** Regional Bell Operating Company.

**Equal access:**

**Cellular equal access:**

- Favors either subjecting all cellular providers to the equal access requirements of the MFJ, or, preferably, eliminating the equal access requirement entirely. (28)
  - The policies of the MFJ are not served by applying its equal access requirements to the fully competitive cellular arena. (30)
  - Regulatory parity demands that all cellular operators be subject to the same equal access requirements. (31-33)

**Equal access for other CMRS providers:**

- To ensure regulatory parity, the same equal access obligations which are applied to cellular providers should be applied to broadband PCS and wide-area SMR. (34)
- However, equal access obligations need not be applied to predominantly one-way services such as paging, narrowband PCS, and mobile data services. (34)

**Implementation:**

- Equal access should only be required following a bona fide request from an IXC. (35)
- Equal access should be gradually phased in, as it was under the MFJ. (36)
- The FCC should not require 10XXX equal access to non-presubscribed IXCs. (37)
- In order to promote both flexibility and regulatory parity, the equal access service area should be the smaller of a cellular carrier's service area or any court-ordered service area. (39-40)

- CMRS providers should have the option of fulfilling their equal access obligations by arranging with a LEC to provide this service. (40-41)
- CMRS providers should be allowed to recover the costs of equal access conversion. (41)

**LEC/CMRS interconnection:**

- Opposes tariffing because:
  - Negotiated contracts are inherently more flexible than tariffs, thereby allowing the interconnection agreement to be custom-tailored to the unique business and technological situation of each LEC/CMRS tandem. (6-9)
  - Because it is difficult to determine which calls terminating in a given LATA are interstate and which are intrastate, federal tariffing would effectively preempt a state's ability to regulate intrastate calls. (9)
- Opposes contract tariff filing and "most favored nation" clauses because:
  - BellSouth already negotiates CMRS interconnection agreements on a statewide basis, files these agreements with state regulators, and makes the same terms and conditions available to new, similarly situated CMRS providers. (10)
  - "Most favored nation" clauses would have the undesirable effect of reducing the number of mutually acceptable tradeoffs which could be incorporated into each LEC/CMRS interconnection agreement. (11)

**CMRS/CMRS interconnection:**

- Opposes mandatory interconnection because:
  - The CMRS market is highly competitive in that CMRS providers do not control facilities to which their competitors require access. Therefore, the obligation to grant "reasonable" requests for interconnection is all that should be required. (12)

- CMRS/CMRS interconnection is already effectively achieved through mandatory CMRS/LEC interconnection. (13)
- Opposes mandatory CMRS/CMRS interoperability standards because the market will be able to determine which interoperability features are necessary. (14-15)
- Opposes mandatory access to CMRS databases of customer location data and routing information because such access would discourage CMRSs from offering unique service packages, and would violate the customer's reasonable expectation that such data be kept confidential. (15-17)
- Opposes differing resale obligations for switch-based and non switch-based resellers, noting that at present there are no switch-based resellers. (18-19)
- Opposes CMRS/CMRS tariffing. (20)
- In order to encourage the development of a national CMRS system, any federal regulation of CMRS/CMRS, interconnection (including a decision not to regulate in this area) should preempt any state regulation. (20-22)

**CMRS resale obligations:**

- In order to achieve regulatory parity between cellular and other CMRS providers, subject to the exception below, CMRS providers should not be allowed to prohibit resale of their services. (22 - 23)
- The exception to the aforementioned general resale obligation is that facilities-based CMRS providers should not be required to sell services to a fully operational facilities-based CMRS competitor. (23)
  - Each CMRS provider must be forced to build its own infrastructure. (24)
  - The only way to promote technology-based product differentiation is through the construction of separate facilities. (25)
- The FCC should interpret 47 CFR § 22.901 (allowing a BOC to "provide" cellular service only through its cellular subsidiary) so as to allow BOC PCS

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licensees the same freedom to resell cellular service as allowed to their non-BOC PCS competitors. (26)



**CALIFORNIA PUBLIC UTILITIES COMMISSION**

**Interest:** State regulatory authority

**Equal access:**

**Cellular equal access:**

- Supports cellular equal access because equal access will enhance consumer choice, which in turn should produce lower toll rates (2).

**Equal access for other CMRS providers:**

- The FCC should extend equal access to all CMRS providers because (2):
  - Doing so would ensure a level competitive playing field among CMRS providers and between CMRS providers and LECs.
- To the extent PCS evolves as an alternative to landline services it should have the same equal access obligation as LECs.
- The costs for implementing equal access should be minimal; as the FCC tentatively concluded, equal access will be technically feasible with a software upgrade to the MTSO, and other CMRS providers can design systems with equal access obligations in mind. (2-3)

**LEC/CMRS interconnection:**

- The FCC should require interstate interconnection tariffs because interconnection should be transparent to end users and available to all providers on uniform terms. (3)
- An interconnection tariff will reduce the likelihood of discrimination against new entrants or of a LEC favoring its affiliates. (3)
- Interconnection tariffs do not preclude the negotiation of individualized interconnection agreements when justified by cost. (3)

**CMRS/CMRS interconnection:**

- The FCC should promote the ability of switch-based resellers to interconnect with cellular carriers by requiring the unbundling of wholesale cellular rates. (4)
- However, switch-based resellers should not be obligated to interconnect to other CMRS providers because they do not control bottleneck functions such as air time. (5)
- The FCC should not preempt state authority to require CMRS interconnection or to prescribe intrastate interconnection rates. State regulation of interconnection is consistent with federal policy and with congressional intent not to preclude states from prescribing terms and conditions. (5-6)
- Congress has not preempted state authority to regulate rates for access to cellular bottleneck facilities, and in any event, the CPUC has petitioned to retain regulatory authority. (7)

**CELLULAR SERVICE, INC. &  
COMTECH, INC.**

**Interest:** Cellular resellers in California

**CMRS resale obligations:**

- The FCC should recognize the right of switch-based cellular resellers to interconnect with the facilities of FCC-licensed cellular carriers. The FCC's offer to entertain any requests to order interconnection is meaningless. (1,4)
- The FCC made clear in the Notice that it was not yet prepared to recognize the right of a cellular reseller to interconnect its own switch to an FCC-licensed cellular carrier, so the filing of a complaint or request for declaratory ruling would lie dormant until the FCC issues a statement recognizing that right. (5)
- Recognition of this right is required by law. The FCC has based its inquiry whether interconnection obligations should be imposed on all CMRS providers on its view that CMRS providers do not have control over bottleneck facilities. Section 201 does not require that interconnection obligations be premised on a connecting carrier having bottleneck facilities. The FCC has already concluded that the standard for interconnection under Section 201 is whether the requested interconnection is privately beneficial without being publicly detrimental. (6)
- If cellular carriers' control over bottleneck facilities were a legal prerequisite, cellular resellers would still have a right to interconnect. As explained in other filings, cellular carriers do have this control. Without interconnection, switch-based resellers will be precluded from providing the enhanced services that they would like to provide and that consumers are demanding. (7)
- The FCC should require interconnection because cellular resellers are the only form of competition to the FCC-licensed duopoly and there is no countervailing public detriment. Recognition of a right will only impose an obligation on the cellular carriers to negotiate an interconnection arrangement in good faith. (8-9)

- Granting this right will not interfere with the issues involved in the Notice because the other interconnection issues involve factors very different from those in cellular resale interconnection. This decision cannot await the resolution of the other issues in the Notice because the cellular resellers' market share is dropping rapidly. Although their demise may please cellular carriers, it will not benefit the state of competition or the public interest. (10)

**CENTURY CELLUNET**

**Interest:** Cellular subsidiary of Century Telephone Enterprises, Inc.

**Equal Access:**

**Cellular equal access:**

- Against mandatory equal access because:
- Equal access will be very costly:
  - When compared with their income stream, the costs associated with installing the switching hardware (\$12 million), installing the switching software (\$204,000), changing the service order system (\$199,750), educating customers (\$120,000), polling customers (\$380,000) and administering the system on an annual basis (\$208,200) will be crushing to small, rural providers. (2, 4-7).
- Equal access will produce no benefits:
  - Mobile customers already can choose their long distance service through 1-800, 950, or calling card access. Because most cellular phones contain speed dialers, such calling is not inconvenient. (7)
  - Because only 0.5% of cellular calls are long distance, equal access would not appreciably increase long distance completion. (8-9)
  - Carriers such as Century which currently treat many inter-LATA calls as "local" could no longer do so, thereby increasing rates. (9)
  - In order to pay the costs of equal access, small providers will have to take funds from more useful projects such as technology upgrades. (9)
  - According to marketing data, consumers want an expanded coverage area, greater channel capacity, a clear signal, the ability to roam on other systems, and a

reasonable monthly bill, not equal access. (10)

- Equal access can not be justified under a regulatory parity theory because mobile services are fundamentally different from landline services and BOC equal access was mandated under an antitrust consent decree, not an FCC public interest analysis. (12, 13)
- Century Cellunet believes that because the mobile marketplace is extremely competitive at present, there is no need to mandate equal access. However, even if the marketplace is not presently competitive, the advent of PCS and other new technologies will make it so within the next 2 years, the estimated implementation time for equal access. (13 - 15)

**Implementation:**

- In order to promote fair competition, any equal access obligations must be applied uniformly to all broadband CMRS providers (including PCS), and the "local service areas" to which equal access applies must be drawn uniformly for all broadband CMRS providers. (15-16)
- Because rural cellular systems lack economies of scale, equal access should only be mandatory in the 50 largest metropolitan statistical areas. (17)
- Because of technological factors, equal access should only apply to long distance calls originating from the caller's home service area. (18)
- Because they will be the primary beneficiaries of equal access, the IXCs should bear the financial burden of implementing equal access, including originating and terminating access charges. (18-19)

## CELLULAR TELECOMMUNICATIONS INDUSTRY ASSOCIATION

**Interest:** Trade association.

**Equal access:**

**Cellular equal access:**

- It is unnecessary to impose equal access obligations on cellular licensees or other CMRS providers. (4)
- Equal access was designed to address anti-competitive activities that do not exist in the wireless market. (5-7)
- The extension of equal access obligations to cellular carriers may create perverse effects on price competition for toll services, thereby reducing the availability of lower-priced alternatives.
- Access to long distance services can be obtained without equal access requirements as the use of access codes allows users to reach the IXC of their choice. (10)
- If the market dictates, cellular licensees will offer equal access. However, there is no measurable demand by consumers to offer equal access. (11)
- Equal access requirements could damage the development and deployment of new services and technologies as the equal access requirements do not fit with the advanced intelligent network and packet data networks of today. (12)
- CDPD service could not be provided pursuant to an equal access obligation. (12)
- Equal access may thwart or delay the introduction of many AIN services made possible by the wireless industry's common channel switching architecture (i.e. cellular's IS-41 network protocol). (13)

- Because the costs of implementing equal access include switch upgrades, billing upgrades, installation of trunks and balloting and presubscription, there will be considerable customer confusion and allegations of slamming. (14)
- The establishment of new service boundaries will undermine the goals of regulatory parity between all CMRS providers. Moreover, establishment of such boundaries will impose additional costs on subscribers. (15)

**LEC/CMRS interconnection:**

- The Commission should not require LECs to tariff interconnection services provided to CMRS providers. (15)
- The current system of good faith negotiations protects licensees against unreasonable discrimination and provides flexibility to accommodate the varied needs of CMRS providers. (17-18)
- Most LECs and cellular carriers are satisfied with the current process. There is no sound reason for replacing this successful framework. (18-20)
- Tariffing requirements would restrict the ability of LECs and CMRS providers to adapt to changing market conditions. (21)
- The imposition of tariff obligation imposes significant costs and burdens, which outweigh any benefits. These costs will be borne by consumers. (22-23)
- The value of the tariff process is impaired by the Papago doctrine, which limits the the ability to appeal an agency's acceptance of a tariff. (24)
- There are other methods to police LEC discriminatory interconnection practices, such as the section 208 complaint process and alternative dispute resolution procedures. (24-25)



**CMRS/CMRS interconnection:**

- The Commission should not impose CMRS-to-CMRS interconnection requirements. In the competitive CMRS market, consumer demand and business necessity will dictate the need for interconnection. (25-28)
- Interconnection with the public switched network may be the most efficient form of interconnection. The marketplace should determine in which cases direct interconnection is more efficient. (29)
- The Commission has required carriers lacking market power to interconnect in only one situation (i.e. the Telex Order). The issues raised in that case are readily distinguishable from the CMRS interconnection issues. (30-32)
- The costs of mandatory CMRS interconnection outweigh any discernible benefits. (32-33)
- It is not feasible to specify interconnection requirements for CMRS networks because the networks have not yet been designed. Innovation should not be curbed by premature adoption of technical standards and parameters for interconnection. (33)

**CMRS resale obligations:**

- In order to achieve regulatory parity, the Commission should impose the same resale obligations on CMRS providers to the same extent that such obligations are imposed on cellular licensees. (34-35)
- The Commission should clarify that cellular carriers do not have an obligation to offer bulk discounts to resellers. CTIA is concerned that language from the Cellular Resale Notice may be misconstrued to suggest an additional obligation on carriers to provide special wholesale rates for resale. (35)

**CINCINNATI BELL TELEPHONE COMPANY**

**Interest:** Local exchange carrier.

**LEC/CMRS interconnection:**

- The Commission should retain its system of individually negotiated contracts, as this system provides cellular carriers with the flexibility to structure interconnection arrangements in a manner that meets their particular needs. (2)
- Tariffs are not necessary to secure reasonable and non-discriminatory rates, terms and conditions. LECs are already obligated to provide reasonable interconnection. (2)
- The cellular carriers are generally satisfied with the current system. If an entrant has difficulty obtaining a good faith agreement from a LEC, the complaint process is always available. (2)
- State regulations provide additional safeguards in the current system. (3)
- A "most favored nation" clause is unworkable because each interconnection agreement is tailored to the particular customer. (3)
- Filing agreements with the Commission would not provide any additional protection because CBT's agreements are already reviewed by the state utility commission. (3)
- Retaining the current system of individually negotiated contracts is consistent with other Commission policies. For example, the Commission has decided that microwave interconnection must be tailored to specific situations. The same logic applies to CMRS interconnection. (4)

**CLAIRCOM COMMUNICATIONS GROUP, L.P.**

**Interest:** Provider of air-ground service.

**Equal access:**

**Equal access for other CMRS providers:**

- Believes the FCC should consider equal access on a service-by-service basis for substantially similar services and markets, given the varied market and technical characteristics of CMRS services. (2-4)
- Opposes the imposition of traditional equal access upon air-ground for the following reasons:
  - Traditional equal access presubscription is unworkable for air-ground service. (4-5)
  - The air-ground service market structure makes traditional equal access inappropriate, as competition is regulated by air carriers' periodic selection of air-ground service providers. (5-6)
  - The terrestrial long distance portion of an air-ground call is de minimis when compared to the radio service portion of the call, and air-ground service is not distant sensitive. (7-8)

**Implementation:**

- Believes the FCC, if it is to impose universal equal access, should allow air-ground carriers the flexibility to implement dial-around access on an as-requested basis, as dial-around access provides end users choice and the convenience of a default carrier. (8-9)
- Favors cost recovery for implementation of equal access. (9)
- Believes the FCC should permit flexible arrangements with long-distance carriers that will promote air-ground competition. (9-10)

**COLUMBIA PCS**

**Interest:** Prospective PCS provider

**Equal access:**

**Cellular equal access:**

- Does not explicitly support or oppose cellular equal access, but notes that a determination to impose cellular equal would even the playing field between all cellular carriers (2-3) and competitive conditions in the cellular industry may merit the imposition of equal access. (5)

**Equal access for other CMRS providers:**

- Opposes equal access for PCS providers because:
  - If the marketplace demands equal access (as Columbia believes), PCS carriers will offer it. But requiring equal access would impose unjustified costs on PCS operations that already will be burdened with auction payments, build-out costs, and microwave relocation. (3)
  - PCS licensees have no market power and no access to bottleneck facilities. (3)
  - Section 332 does not mandate that the Commission impose on all different wireless services precisely the same regulation. (4-5)

**LEC/CMRS interconnection:**

- Concurs in the comments of PCIA on LEC/CMRS interconnection, but wishes to emphasize that the Commission must specify that mutual compensation is a bedrock obligation that applies to all interconnection agreements. (5)
- If the Commission does not make this requirement explicitly, LECs are likely to continue to refuse mutual compensation, causing PCS carrier to lose the ability to inject meaningful competition into the local exchange monopoly. (6)

- To enforce mutual compensation, the Commission should (a) request a model interconnection agreement from each Class A LEC to review for conformance with FCC policies, and (b) prescribe an "equal per unit of traffic" requirement on all LECs because large CMRS providers will have more negotiating leverage than small CMRS providers.  
(7)

COMCAST CORPORATION

Interest: Cellular service provider.

Equal access:

Cellular equal access:

- The lack of non-wireline cellular market power, and the costs and consumer losses associated with implementing equal access requirements counsel against imposing equal access. (19-20)
- Equal access is being promoted by MCI, which does not want to negotiate with cellular carriers, and the BOCs, which are using this process as a bargaining chip for the removal of their own equal access requirements. (20-21)
- The market power conditions that led to the imposition of equal access requirements on the BOCs do not exist with respect to non-wireline cellular operators. (21-23)
  - Non-wireline cellular carriers do not have bottleneck facilities. (23)
  - Non-wireline cellular carriers face competition from vertically integrated BOC-affiliated cellular operators and other new entrants. (23)
  - Non-wireline cellular carriers like Comcast will not be able impede competition. (23)
- Comcast would not oppose reexamination of the equal access requirements agreed to by AT&T/McCaw once local competition is established. (24)
- Imposing equal access requirements will undermine cellular carriers' ability to compete with new entrants, such as PCS and ESMR. (25)
- Cellular carriers that are unaffiliated with a bottleneck monopoly or a dominant IXC do not have the same anticompetitive incentives or

abilities, and should, therefore, not be subject to equal access requirements. (26)

- Out-of-region BOC-affiliated cellular carriers and AT&T/McCaw cellular carriers are already required to provide IXC equal access. IXCs will therefore be able to successfully compete without imposing equal access on independent cellular carriers. (27)
- The Commission should continue to permit independent cellular operators to choose whether to adopt equal access based upon whether their subscribers are willing to bear the cost. (27-28)
- Imposing equal access will lead to the transfer of revenues from small to large cellular operators. (28)
  - Equal access will prevent non-BOC affiliated cellular carriers from purchasing volume-discounted long distance service. (29)
  - Small cellular carriers have high operating costs and will face a greater economic burden from mandatory equal access. (30)
  - BOC-affiliated cellular carriers will be better able to exploit their competitive advantage, the ability to offer service over large geographic areas. (32)
- Equal access will inhibit the ability of cellular carriers to create integrated systems that provide innovative services, such as Comcast's advanced personal numbering service. (30)
- Imposing equal access will limit business opportunities enjoyed by small IXCs. Cellular carriers provide IXCs with an immediate customer base. (31-32)
- Implementing equal access requirements will sap the resources of independent cellular carriers. (33)
- The costs of equal access far outweigh the benefits. (33)

- The record does not support the idea that permitting cellular consumers IXC choice will lead to lower prices. (34)
- Equal access will not increase the access of end users. Comcast's advanced service features would not have been possible if it had been were denied the opportunity to contract with IXCs. (35)
- The Commission is wrong to suggest that IXCs are the only ones capable of providing cost-effective integrated services. Cellular operators should also be given the opportunity. (37)
- The argument for imposing equal access based on Congress's desire for regulatory parity is misplaced. It ignores the deep differences between BOC-affiliated and non-wireline cellular providers. (38)
- Equal access will require non-wireline cellular carriers to change their software and switching mechanisms at great cost. (39)
- At a minimum, the Commission should delay imposing equal access requirements until it determines what effect it will have on reinvestment and advanced service offerings. (39)

**LEC/CMRS interconnection:**

- LEC-cellular interconnection policies have been ineffective in promoting competition. LECs still are able to prevent competition in adjacent wireless markets. Dr. Gerald W. Brock has determined that tariffs, filing requirements, and mutual compensation schemes will not solve the problem. Particular compensation policies, such as a "sender keeps all" with zero-based rates, are necessary to address the incentive and ability of LECs to inhibit competition. (1-4)
- Summarizes history of interconnection in cellular market and notes many difficulties which have ensued. It is not essential that relevant LEC intrastate and interstate service arrangements be tariffed, but these arrangements, state tariffs,



and billing and collection arrangements should be filed and available for inspection, and the standard should promote competition. This would allow competitors and the FCC to access the availability of services and the lack of discrimination in their provision. (5-8)

- Because of the patently unreasonable rates filed by the LECS in their Expanded Interconnection tariffs, an interconnection tariffing requirement should not be subsumed into the FCC's collocation tariffing framework. The LECs have abused the tariffing and investigation process to prevent the development cost-based, unbundled rates for expanded interconnection. (9)
- No single interconnection model today allows the development of a "network of networks" in which customers have access to any combination of networks to meet their needs. The current models available are as follows: the customer premises equipment (CPE) model; the interexchange access model; the mutual compensation model; and the international compensation model. (10-11)
- The mutual compensation model proffered by the FCC most closely resembles the international model, which was not designed to protect against abuse of monopoly power or to provide one part a subsidy, but to provide compensation for mutually beneficial interconnection for a joint service. However, this model has problems when applied to a market structure in which carriers exercise different levels of market power or exchange different traffic loads, as FCC analysts have shown. (11)
- A mutual compensation structure will not solve the LEC-CMRS interconnection problems. Because, at least for the foreseeable future, most CMRS carriers will originate far more traffic than they will terminate for the LEC, the LEC will receive substantially more payments. LECs possess the incentive and ability to extract high, non-cost based rates for termination of CMRS traffic. In addition, a requirement that LEC CMRS affiliates pay the same high interconnection rate as other CMRS providers only worsens the problem. The transfer of fees between the affiliate and the LEC is a pocket-to-pocket transfer which is of no consequence to the LEC. The LEC can negotiate the rates first with its affiliate and then apply this